

P.L.C.
Cy: Karen
Denise

IN THE CIRCUIT COURT OF
MONTGOMERY COUNTY, ALABAMA

STATE OF ALABAMA,

Plaintiff,

v.

PREFERRED LIFE INSURANCE
COMPANY,

Defendant.

CASE NO. CV-94-2182-84



ORDER

This matter came before the Court on the Petition for Approval of Receiver's Plan to Close Receivership Proceeding ("Petition") filed by the Receiver of Preferred Life Insurance Company ("Preferred"). This Court held a hearing on November 12, 2003 at 9:45 a.m., to address the Receiver's Petition. The Receiver provided notice of the hearing to all individuals and entities who filed claims against Preferred and those persons on the certificate of service in this proceeding. Having considered the Receiver's Petition, arguments of counsel, and the evidence presented at the hearing on November 12, 2003,

IT IS ORDERED, ADJUDGED AND DECREED as follows:

1. This order closes and terminates the Preferred receivership proceeding for all matters, except that the Court retains jurisdiction to address any potential dispute related to Preferred's final income tax return, and the Receiver's final accounting to be submitted to the Court.
2. Pursuant to *Ala. Code* § 27-32-37 (1975), all general creditor claims against Preferred, or any claims in the nature of general creditor claims, are hereby disallowed.

3. The Court further finds that the outstanding administrative expenses of the Preferred Receivership Estate are entitled to priority of payment pursuant to *Ala. Code* § 27-32-37 (1975). The Receiver is authorized to pay the outstanding accounting expenses in the amount of \$389.85. The Court further acknowledges that Preferred has attorneys' fees associated with closing this proceeding. Therefore, pursuant to *Ala. Code* § 27-2-25 (1975), the Court orders the Alabama Insurance Department to pay these expenses and any other administrative expenses associated with closing this proceeding. Attorney's fees for the Receiver's attorneys relating to the closing of this proceeding total \$1,242.51

When Preferred's income tax return has been accepted by the IRS, or the time for an audit has expired, the Receiver is authorized to transfer all remaining company records to the Alabama Life & Disability Insurance Guaranty Association ("ALDIGA"). All receivership records evidencing this receivership proceeding, or generated as a result of this receivership proceeding, will be maintained at the office of the Chief of the Receivership Division for the Alabama Insurance Department. The Receiver shall also file a final accounting once the final income tax return has been accepted by the IRS. At that time, the Receiver shall also petition the Court for an order discharging her as Receiver of Preferred.

4. With the exception of the obligations specified in this order, the Receiver is discharged from any further duties or obligations related to this proceeding. The Receiver and ALDIGA retain the immunities afforded them under applicable law. Except as otherwise stated herein, all persons impacted by the Preferred receivership are deemed to have either exercised all rights provided by law or waived such rights and are entitled to no further relief.

5. This order has the character of a final order, and is appealable in accordance with *Ala. Code* § 27-32-3(e) (1975). Upon receipt of this order, the Receiver is directed to mail a copy of the order by United States mail, postage prepaid, to ALDIGA, all general creditors, and all persons listed on the certificate of service in this proceeding.

6. This Court retains jurisdiction over this proceeding to the extent necessary to enforce this order and supervise the remaining activities of the Preferred Receivership Estate:

ENTERED AND ORDERED this the 24 day of Nov.

2003.

William A. Shashy
William A. Shashy
Circuit Judge

Connie Walker ✓
Roy Granger